

## **Program B: Payments to Public Providers**

Program Authorization: The Constitution of Louisiana (1974) Article 12, Section 8, declares that the Legislature may establish a system of economic and social welfare, unemployment compensation, and public health. Louisiana Revised Statutes 36:251 et seq., gives the Louisiana Department of Health and Hospitals (DHH) Secretary authority to direct and be responsible for the Medical Assistance Program, Title XIX of the Social Security Act, and the authority to act as the sole agent of the state or, in necessary cases, designate one of the offices within the department or its assistant secretary to cooperate with the federal government and with other state and local agencies in the administration of federal funds granted to the state or directly to the department or an office thereof to aid in the furtherance of any function of the department or its offices, including funding for the Medical Assistance Program, Title XIX of the Social Security Act. The Balanced Budget Act of 1997 (BBA) (Public Law 105-33), as amended by recent technical amendments (Public Law 105-100, signed into law on November 19, 1997).

### **Program Description**

The mission of the Payments to Public Providers Program is to provide payments to public providers of health care services to Louisiana residents who are eligible for Title XIX (Medicaid) and to administer the Medicaid Program to ensure operations are in accordance with federal and state statutes regarding medically necessary services to eligible recipients. Additionally, the MVP program assures that reimbursement to providers of medical services to Medicaid recipients are appropriate.

The goals of the Payments to Public Providers Program are:

1. To develop alternatives to institutional care.
2. To screen children for medical, vision, hearing and dental abnormalities.
3. To improve health outcomes by emphasizing primary and preventative care.

The Payments to Public Providers Program provides for direct payments to the following: LSU Health Care Services Division, LSU Medical Center, State MR/DD Services, State Long Term Care Facilities, Office of Public Health, Office for Addictive Disorders, Community Mental Health, State Education, and other public providers.

The Payments to Public Providers Program administers the KIDMED program. KIDMED is Louisiana's name for the federally mandated service that must be offered to economically disadvantaged children under the State's Early Periodic Screening, Diagnosis, and Treatment (EPSDT) program. Federal legislation established EPSDT as a Medicaid service in 1967. Louisiana began providing EPSDT when it became a mandatory service in 1972. In 1990, Louisiana renamed the screening component of its EPSDT program to KIDMED.

## RESOURCE ALLOCATION FOR THE PROGRAM

	ACTUAL 2001-2002	ACT 13 2002-2003	EXISTING 2002-2003	CONTINUATION 2003-2004	RECOMMENDED 2003-2004	RECOMMENDED OVER/(UNDER) EXISTING
MEANS OF FINANCING:						
STATE GENERAL FUND (Direct)	\$94,339,255	\$105,228,504	\$104,728,504	\$118,475,123	\$75,777,967	(\$28,950,537)
STATE GENERAL FUND BY:						
Interagency Transfers	341,980	1,836,802	1,836,802	1,491,284	15,411,305	13,574,503
Fees & Self-gen. Revenues	31,798,779	0	0	0	0	0
Statutory Dedications	12,475,106	9,105,149	9,105,149	8,252,013	8,252,013	(853,136)
Interim Emergency Board	0	0	0	0	0	0
FEDERAL FUNDS	253,649,479	284,878,826	283,652,307	322,270,327	249,940,955	(33,711,352)
TOTAL MEANS OF FINANCING	<u><u>\$392,604,599</u></u>	<u><u>\$401,049,281</u></u>	<u><u>\$399,322,762</u></u>	<u><u>\$450,488,747</u></u>	<u><u>\$349,382,240</u></u>	<u><u>(\$49,940,522)</u></u>
EXPENDITURES & REQUEST:						
Salaries	\$0	\$0	\$0	\$0	\$0	\$0
Other Compensation	0	0	0	0	0	0
Related Benefits	0	0	0	0	0	0
Total Operating Expenses	0	0	0	0	0	0
Professional Services	0	0	0	0	0	0
Total Other Charges	392,604,599	401,049,281	399,322,762	450,488,747	349,382,240	(49,940,522)
Total Acq. & Major Repairs	0	0	0	0	0	0
TOTAL EXPENDITURES AND REQUEST	<u><u>\$392,604,599</u></u>	<u><u>\$401,049,281</u></u>	<u><u>\$399,322,762</u></u>	<u><u>\$450,488,747</u></u>	<u><u>\$349,382,240</u></u>	<u><u>(\$49,940,522)</u></u>
AUTHORIZED FULL-TIME						
EQUIVALENTS: Classified	0	0	0	0	0	0
Unclassified	0	0	0	0	0	0
<b>TOTAL</b>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>

## SOURCE OF FUNDING

The Payments to Public Providers program is funded with State General Fund, Interagency Transfers, Statutory Dedications, and Federal Funds. The Statutory Dedications are derived from the Louisiana Medical Assistance Trust Fund (R.S. 39:98.6) from provider fees from varying medical providers in the state based on corresponding per bed per day rates. Federal Funds represent federal financial participation in the Medicaid program.

	<b>ACTUAL</b>	<b>ACT 13</b>	<b>EXISTING</b>	<b>CONTINUATION</b>	<b>RECOMMENDED</b>	<b>RECOMMENDED</b>
	<b>2001-2002</b>	<b>2002-2003</b>	<b>2002-2003</b>	<b>2003-2004</b>	<b>2003-2004</b>	<b>OVER/(UNDER)</b>
						<b>EXISTING</b>
Louisiana Medical Assistance Trust Fund	\$12,475,106	\$8,252,013	\$8,252,013	\$8,252,013	\$8,252,013	\$0
Deficit Elimination/Capital Outlay Escrow Replenishment Fund	\$0	\$853,136	\$853,136	\$0	\$0	(\$853,136)

## MAJOR FINANCIAL CHANGES

GENERAL FUND	TOTAL	T.O.	DESCRIPTION
\$105,228,504	\$401,049,281	0	ACT 13 FISCAL YEAR 2002-2003
			BA-7 TRANSACTIONS:
(\$500,000)	(\$1,726,519)	0	Elimination of transfer to the Office of Public Health for the LATAN program
\$104,728,504	\$399,322,762	0	EXISTING OPERATING BUDGET - December 2, 2002
\$374,474	\$1,315,792	0	Other Adjustments - Increase in Title XIX reimbursements to Capital Area Human Services District
\$1,069,143	\$3,756,653	0	Other Adjustments - Increase in Title XIX reimbursements for community mental health
(\$463,360)	(\$1,600,000)	0	Other Adjustments - Elimination of Title XIX reimbursements to the Office of Mental Health for free standing units
(\$19,212,736)	(\$66,342,321)	0	Other Adjustments - Reduction of Title XIX reimbursements to the Office for Citizens with Developmental Disabilities due to the closure of facilities
(\$1,100)	(\$3,799)	0	Other Adjustments - Reduction of Title XIX reimbursements to the Office for Addictive Disorders
\$248,330	\$872,557	0	Other Adjustments - Increase in Title XIX reimbursements to the Louisiana Special Education Center
(\$1,448)	(\$5,000)	0	Other Adjustments - Reduction of Title XIX reimbursements to the Louisiana School for the Deaf
(\$3,742,643)	(\$12,923,492)	0	Other Adjustments - Elimination of Title XIX reimbursements to Villa Feliciana, due to its closure
(\$1,139,702)	(\$3,935,436)	0	Other Adjustments - Reduction of Title XIX reimbursements to the Office of Public Health
(\$1,243,733)	(\$4,294,657)	0	Other Adjustments - Elimination of Title XIX reimbursements to the Office of Mental Health for distinct part psych units
\$8,634,853	\$32,848,745	0	Other Adjustments - Increase in Title XIX reimbursements to the LSU Health Care Services Division
\$105,426	\$370,436	0	Other Adjustments - Increase in Title XIX reimbursements to various public agencies
(\$12,123,314)	\$0	0	Net Means Of Financing Substitutions - Replace State General Fund match for Pinecrest Developmental Center with IAT
\$341,980	\$0	0	Net Means Of Financing Substitutions - Replace IAT from the Department of Education for ChildNet with State General Fund
(\$1,796,707)	\$0	0	Net Means Of Financing Substitutions - Replace State General Fund match for New Orleans Home and Rehab with IAT
\$75,777,967	\$349,382,240	0	TOTAL RECOMMENDED

**MAJOR FINANCIAL CHANGES**

<b>GENERAL FUND</b>	<b>TOTAL</b>	<b>T.O.</b>	<b>DESCRIPTION</b>
<b>\$0</b>	<b>\$0</b>	<b>0</b>	<b>LESS GOVERNOR'S SUPPLEMENTARY RECOMMENDATIONS</b>
<b>\$75,777,967</b>	<b>\$349,382,240</b>	<b>0</b>	<b>BASE EXECUTIVE BUDGET FISCAL YEAR 2003-2004</b>
			SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE:
<b>\$0</b>	<b>\$0</b>	<b>0</b>	None
<b>\$0</b>	<b>\$0</b>	<b>0</b>	<b>TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE</b>
<b>\$75,777,967</b>	<b>\$349,382,240</b>	<b>0</b>	<b>GRAND TOTAL RECOMMENDED</b>

## **PROFESSIONAL SERVICES**

This program does not have funding for Professional Services for Fiscal Year 2003-2004.

**OTHER CHARGES**

\$138,078,249      LSU Health Sciences Center - Health Care Services Division - Title XIX claims

**\$138,078,249      SUB-TOTAL OTHER CHARGES**

**Interagency Transfers:**

Interagency Transfers for the reimbursement to following public providers for the provision of medical services to patients who are uninsured and ineligible for the State's Medicaid program:

\$1,980,383	Capital Area Human Services District
\$80,000	Louisiana School for the Deaf
\$6,778,564	Louisiana Special Education Center
\$6,586,273	Local education agencies
\$56,905,816	LSU Health Sciences Center - Shreveport
\$5,765,476	New Orleans Home and Rehabilitation Center
\$104,061,409	Office for Citizens with Developmental Disabilities
\$13,305,816	Office of Mental Health for Community Mental Health Services
\$13,080,666	Office of Public Health
\$1,003,172	Other Varying Public Agencies
\$1,645,110	Special School District #1
\$111,306	Office for Addictive Disorders

**\$211,303,991      SUB-TOTAL INTERAGENCY TRANSFERS**

**\$349,382,240      TOTAL OTHER CHARGES**

## **ACQUISITIONS AND MAJOR REPAIRS**

This program does not have funding for Acquisitions and Major Repairs for Fiscal Year 2003-2004.